

# House File 566 - Introduced

HOUSE FILE \_\_\_\_\_  
BY LUKAN

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act providing tax credits to low-income workers for purchases  
2 of used vehicles and including a retroactive applicability  
3 date provision.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 1810HH 83  
6 tw/mg:sc/14

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1 1 Section 1. NEW SECTION. 422.11X USED COMMUTER VEHICLE  
1 2 TAX CREDIT.  
1 3 1. A tax credit in an amount not to exceed five hundred  
1 4 dollars shall be allowed against the taxes imposed in this  
1 5 division for the costs incurred by an eligible taxpayer for  
1 6 the purchase during the tax year of the taxpayer's motor  
1 7 vehicle.  
1 8 2. To be eligible for the credit, the taxpayer shall meet  
1 9 all of the following conditions:  
1 10 a. The taxable income of the taxpayer shall not exceed the  
1 11 applicable income threshold specified in the most recently  
1 12 issued federal poverty guidelines as updated periodically in  
1 13 the federal register by the United States department of health  
1 14 and human services under the authority of 42 U.S.C. } 9902(2).  
1 15 b. The taxpayer shall be employed at the end of the tax  
1 16 year.  
1 17 c. The motor vehicle shall be used as a means of  
1 18 transportation to and from the taxpayer's place of employment.  
1 19 d. The motor vehicle purchased by the taxpayer shall be a  
1 20 previously owned vehicle subject to registration.  
1 21 3. Only the latest purchased motor vehicle subject to  
1 22 registration shall be considered for the credit.  
1 23 4. Any tax credit in excess of the taxpayer's liability  
1 24 for the tax year is refundable.  
1 25 5. The department shall adopt rules implementing this  
1 26 section.  
1 27 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies  
1 28 retroactively to January 1, 2009, for tax years beginning on  
1 29 or after that date.

1 30 EXPLANATION  
1 31 This bill provides a tax credit of up to \$500 to low-income  
1 32 workers for the purchase of a used vehicle subject to  
1 33 registration. The credit is available to a taxpayer for a  
1 34 portion of the cost of purchasing the licensed vehicle if:  
1 35 (1) the taxpayer's taxable income is within the limits  
2 1 specified in the federal poverty guidelines; (2) the taxpayer  
2 2 is employed at the end of the tax year; (3) the vehicle is to  
2 3 be used for commuting to work; and (4) the vehicle is a  
2 4 previously owned vehicle. Only the latest purchased vehicle  
2 5 is considered for the credit. The credit is refundable.  
2 6 The bill applies retroactively to January 1, 2009, for tax  
2 7 years beginning on or after that date.  
2 8 LSB 1810HH 83  
2 9 tw/mg:sc/14